



**ASX Announcement**

**16 September 2016**

## GENOME TRANSACTION UPDATE

### HIGHLIGHTS

#### Transaction

- Prospectus on target to be available on or around the date of the shareholder meeting.

#### Genome

- Genome's new mobile application ("GApp") expects to be in beta mode with Howden Broking Group by mid November 2016 and available to the global market in early 2017.
- International and Australian cyber security sectors are rapidly expanding, with strong interest at all levels of government and associated agencies.
- Commonwealth Government \$210 million Innovation strategy is driving interest in enhanced cyber security solutions for Australian companies.
- Australian State government will be hosting a cyber security and trade mission to Israel this coming November.

Drake Resources (ASX: DRK) ("Drake" or "the Company") is pleased to provide an update to the market regarding its reverse takeover of Genome Technologies Limited ("Genome"), an Israel-based human cyber risk governance solutions company ("the Transaction"). Please refer to the Company's ASX announcement dated 11 March 2016 for full details of the Transaction.

The Notice of Meeting ("NOM") seeking approval of the Transaction is currently being reviewed by the Australian Securities Exchange ("ASX") and is expected to be circulated to shareholders by the start of October for a shareholder meeting in early November.

Meanwhile, the prospectus for the capital raising to be undertaken in conjunction with the Transaction is being prepared concurrently with the intention that it is lodged with the Australian Securities and Investments Committee on or around the date of the shareholder meeting.

#### Genome Update

Genome is currently progressing development of its human governance cyber risk technology towards commercialisation. The company is constantly working on improvements of its unique algorithm and has recently improved the algorithm's efficiency by over 30% through extensive research and adjustments to current cyber security threats.

Genome is currently developing the 'GApp', a People Centric Security mobile application used by customers to harness their organisation against rapidly growing cyber threats. This is a new addition to the full enterprise Genome solution (i.e. the Genome platform) – refer below for further details.

GApp is expected to be in beta mode with a strategic partner of Genome, Israeli-based Howden Broking Group by mid November 2016 and available to the global market in early 2017.

With GApp, each employee can take an active role in defending their company against cybercrime. GApp increases cyber awareness, alerts employees and risk owners, and produces insightful data analytics and reports to reduce cyber risks.

Drake and Genome recently held discussions with representatives of an Australian State Government, and agencies supporting that Government, with regard to the commercial development of Genome's human cyber-risk governance solution.

These discussions confirmed to the Company and Genome that the Genome cyber-risk solution satisfies an unresolved need to monitor, report and mitigate the human risk factor in organisations relating to innocent employees.

Genome has already signed Letters of Intent ("LoIs") with a number of leading organisations in the insurance, accounting and telecommunications industries, including Howden Broking Group and BDO South Africa.

### **New world, new threats**

The need for "always-on" connectivity and accessibility have led to the emergence of "bring your own device ("BYOD") trends, wearable technology, the Internet of Things ("IOT") as well as "smart home" devices used by an enterprise's employees.

The explosion in the number of these devices has changed not only the way people live and work – but how hackers attack.

Mobile malware, malicious apps, targeted cyber-attacks on employees and connected devices are introducing new challenges for IT security.

### **The Genome Solution**

Genome is an Israeli human cyber risk governance solutions company adopting an innovative approach to mitigate cyber security threats in organisations related to the most targeted and vulnerable of a company's assets, the employees.

The human factor is considered to be one of the weakest points of an organisation's security. As such, Genome's technology, which is currently under development, and unique flexible engine algorithm intends to analyse and map each employee's risk level to possible cyber-attacks and provide customised mitigation, intelligence and training solutions to reduce these risks.

The process intends to profile each employee and provide the organisation with the insights to determine where possible cyber-attacks targeting specific employees may occur and to build corresponding controls to mitigate the risk. The solution is Genome's technology, which comprises multiple software and service modules based on a process known as Predictive Identity Engine (PIE). PIE analyses multiple attack vectors and the weaknesses of each employee.

Current technologies do not provide a solution for today's targeted attack methods as they do not incorporate the human factor (employees); these are considered the weakest link of an organisation's security.

According to Genome, each employee creates a different risk level to an organisation. Threat vectors and surface have significantly widened as organisations today permit employees to bring your own device, access social networks and the Internet of things (IOT), allow remote access from anywhere anytime and permit wearables and other connected devices.

Genome believes that most organisations are ill-equipped to handle these cyber security threats, believing that outdated defence software and outmoded strategies are insufficient for the sophisticated and well organised hackers of today. New technology has to be adopted that is current, customisable, scalable and ahead of the tactics against the 'passive threat' (the employee).

Genome's platform, which is currently under development, intends to measure an organisation's exposure to cyber attacks using a proprietary methodology and algorithm which encompasses real life "human oriented" attack methods against non-malicious employees. The technology intends to map, analyse and provide actionable measures to individually mitigate the risks for each employee or risk group, using a variety of mitigation solutions, threat intelligence, forensics and customised employee training.

Genome is of the view that its technology (currently under development) will provide the ability to forge distinctive alliance and distribution channels with security consulting firms and insurance companies providing cyber insurance services to customers around the world.

The Company's vision and technology aims to offer cyber security officers and C-level decision makers a new approach to their existing cyber governance that is not presently met by existing solutions. The outcome intends to allow them to better protect their corporate assets, achieve broader compliance coverage, maximise the use of their existing security controls and most importantly reduce potential financial and reputation damage.

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